



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

MARCH 27, 2001

Governors Concerned Over Potential Changes to River Flow. The governors of nine States along the Mississippi River have joined in signing a letter to President Bush, expressing concern over the impact that changes in the flow of the Missouri River might have on agriculture and transportation in their States. The letter, initiated by Missouri Governor Bob Holden, was signed by other governors whose states border the Mississippi River, including Mike Huckabee of Arkansas, George Ryan of Illinois, Paul Patton of Kentucky, Mike Foster of Louisiana, Jesse Ventura of Minnesota, Ronnie Musgrove of Mississippi, Don Sundquist of Tennessee, and Scott McCallum of Wisconsin. The concern is over a U.S. Army Corps of Engineers plan that would change the seasonal flow of the river. Those in favor, state that it would conserve water in case of drought and also benefit the recreation industries in Montana and the Dakotas. In addition, the U.S. Fish and Wildlife Service would be supportive of the Corps plan, since it would provide a more natural flowing river, helping to protect endangered species such as the pallid sturgeon and the nesting habitat of shore birds such as the endangered least tern and the threatened piping plover. The States represented in the letter, however, feel that any change in Missouri River flow will disrupt barge transportation, most importantly along the Mississippi River, an economically vital mode of moving agricultural goods to the Gulf. "I'm very concerned about the negative economic and environmental impacts of this proposal on our water resources," stated Missouri Governor Holden. He continued, "All Missourians should be concerned about the reduced commitment to downstream flows of the Missouri and Mississippi rivers that are inherent in every alternative for Missouri River management currently being considered by the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service." An important point raised in opposition to the Corps' proposal concerns the impact on the so-called "bottleneck reach" of the Mississippi River from St. Louis to Cairo, IL, otherwise known as the Mid-Mississippi River. This stretch of river depends on the flow support of the Missouri River to provide for barge transportation. During periods of low flow on the Mississippi River, for instance, the Missouri River is especially vital in that it provides as much as two-thirds of the water flow to bottleneck reach, thereby supporting navigation and other uses of the river. The governors have requested that President Bush require that the Corps provide a briefing on the proposed changes and their impacts to the States, as well as allow for meaningful input by all of the States along the Mississippi River. In addition, they request that an interagency group, including U.S. Secretaries of Transportation and Agriculture, review implications of the proposals. Although the White House had no immediate comment, *AP Newswire* indicates that, according to U.S. Senator Kit Bond (R-MO), the President plans to oppose the Corps river plan. (*AP* 3/27, <http://www.gov.state.mo.us/press032601.htm>, USDA)

Oral Arguments On Rail Merger Guidelines. Due to complex issues raised during the Surface Transportation Board's (STB) proposed rulemaking (instituted February 2000) to revise its regulations governing major railroad mergers, the STB has scheduled oral arguments for 10:00 a.m. on April 5 at its Washington, DC, headquarters. The purpose of the oral argument is, not to restate the written arguments previously made, but, rather, to summarize and emphasize the key points of each participant's case (and those of supporters and detractors) and to provide an opportunity for questions from members of the STB. (USDA-TM-MTA, Marvin.Prater@usda.gov)

Transportation Subcommittee Holds Oversight Hearing. The Transportation Subcommittee of the Senate Appropriations Committee held a March 15 oversight hearing on competition and mobility issues in the freight rail industry. During the hearing, Linda Morgan, Chairman of the Surface Transportation Board (STB) testified that the STB has continued to meet its deadlines and look for ways to move cases more quickly. "Since I became chairman on March 24, 1995, several hundred ICC and STB cases have been decided, about 170 cases have been challenged in court and well over 90 percent of those cases have been upheld. Fair and expeditious case resolution and the certainty and stability that come from success on appeal should be key objectives for an adjudicative body such as the Board," Morgan testified. The Surface Transportation and Merchant Marine Subcommittee of the Senate Commerce, Science, and Transportation Committee intends to hold hearings this spring regarding alleged railroad market power abuse. Senator Gordon Smith (R-OR), who will chair the hearings, is concerned over the consequences of railroad consolidation. Railroads will discuss their financial condition and their reaction to legislation creating more competition. The hearings will also provide an opportunity for shippers to explain why they would like new legislation. (*Rail Intelligence* 3/26, USDA-TM-MTA, Marvin.Prater@usda.gov)

Brazil Resumes Wheat Shipments. After a 1-month ban on imports of U.S. wheat, Brazil has recently purchased a 15,000 metric ton shipment. The import ban resulted from the suspicion that the grain carried the wheat gall nematode, a worm that eats the stalks and seeds of developing plants. However, a team of Brazilian scientists that traveled to the United States for an inspection of the grain, determined that the nematode was not present. The most recent ban came only 3 1/2 months after Brazil lifted its 4-year probation on U.S. wheat imports due to concerns over a type of fungus known as TCK smut. According to U.S. Wheat Associates spokesperson, Dawn Forsythe, "It's a good sign because once the first buy is made, this should open the way for more." (*Bloomberg* 3/27)

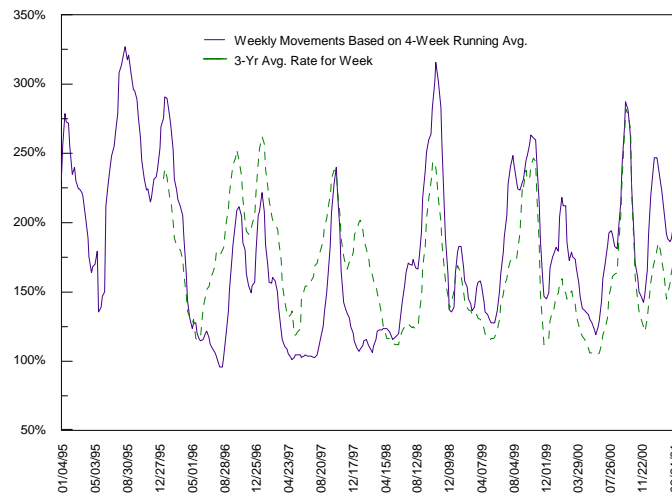
Futures:			Week Ago	Year Ago
		03/23/01	03/16/01	03/24/00
Kansas City	Wht	May 3.0675	3.1600	2.7800
Minneapolis	Wht	May 3.1750	3.2525	3.2050
Minneapolis	Dur	July 4.5500	4.8800	n.a.
Chicago	Wht	May 2.6225	2.7050	2.5275
Chicago	Corn	May 2.0725	2.0750	2.3200
Chicago	Sytn	May 4.3650	4.4300	5.3075



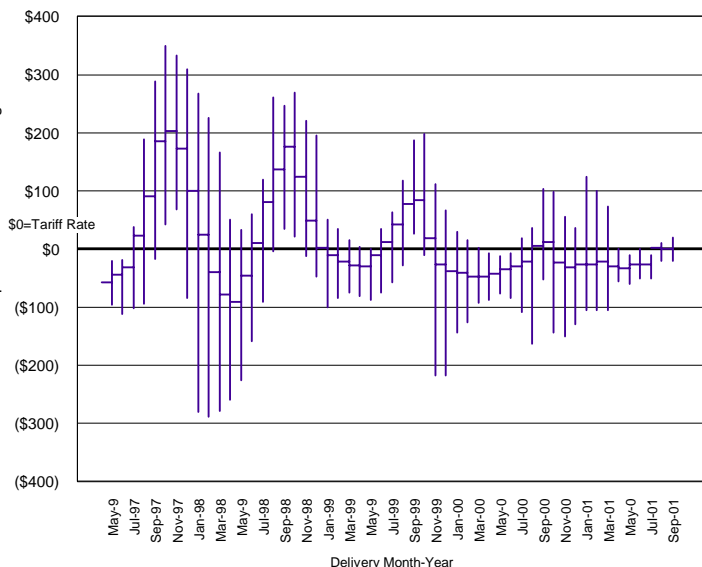
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Com, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Com, #1 Y Soybeans

Sources... U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - Friday Local Cash Grain Prices, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CANS, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Index - Percent of Tariff Rate



Bid/Offer for up to 6 Months of Trading



Rail Car 'Auction' Offerings

Delivery for:	Apr-01		Jun-01	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	10,857	10%	12,000	1%
UP-GCAS	5,400	1%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Apr-01	May-01	Jun-01	Jul-01
BNSF-GF	\$(5)	\$(12)	\$(12)	\$(9)
UP-Pool	\$(17)	\$(29)	\$(30)	\$(26)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	May-01	Jun-01	Jul-01
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

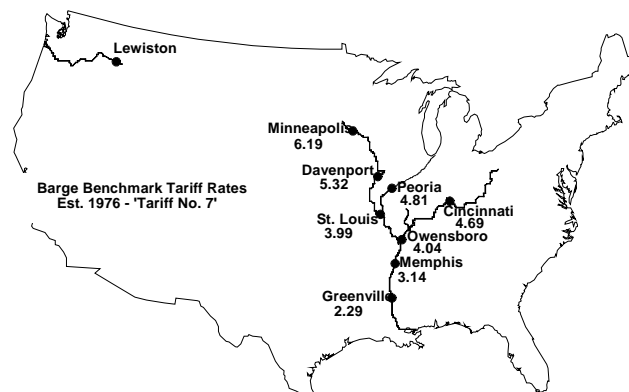
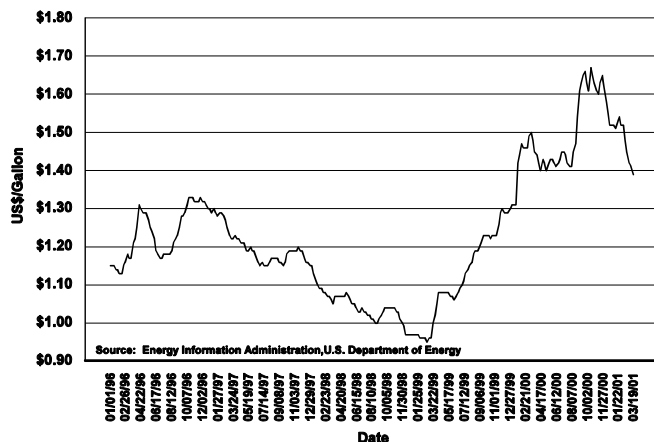
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
03/27/01	St. Louis	Apr	143	140
		June	135	145
		Aug	153	165
		Oct	219	0
		Dec	148	0
	Illinois River	Apr	165	165
		June	148	160
		Aug	179	185
		Oct	241	0
		Dec	163	0

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	3/21/01	3/14/01	April '01	June '01
Twin Cities	0	0	196	196
Mid-Mississippi	208	208	174	169
Illinois River	206	195	160	158
St. Louis	169	174	143	139
Lower Ohio	182	194	150	143
Cairo-Memphis	158	158	134	133

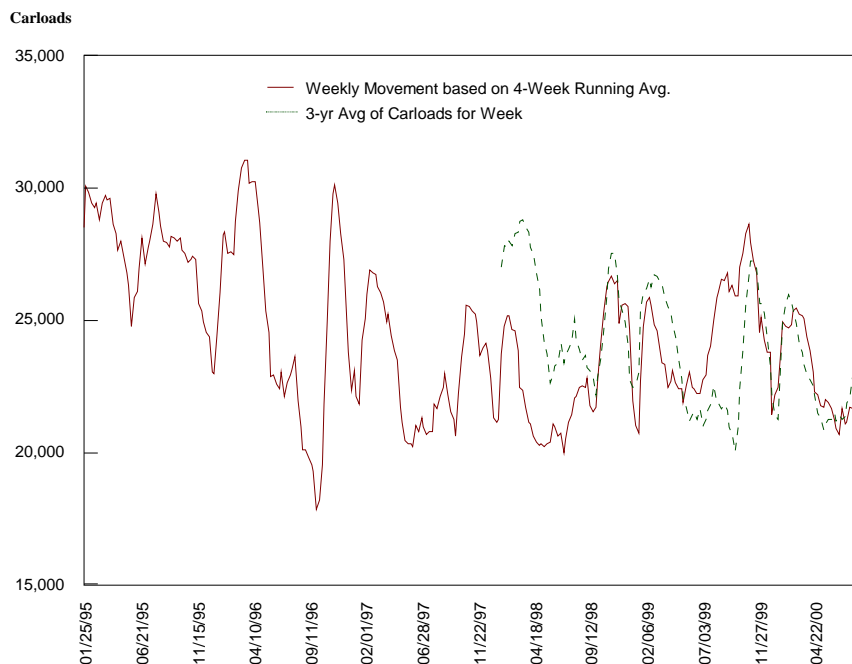
Source: Transportation & Marketing /AMS/USDA
nq=no quote;

Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
36953	22,898
03/10/01	22,976
03/17/01	23,866
Year to Date - 2001	250,841
Year to Date - 2000	277,089
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
03/17/01	0	3,412	0	2,650	9,748	348	7,708	5,251	4,001
This Week Last Year	0	2,751	2,132	2,597	9,269	564	8,024	2,726	5,146
2001 YTD	0	38,014	0	35,088	99,373	5,355	73,011	53,046	53,303
2000 YTD	0	31,765	21,963	32,737	96,777	7,308	86,539	31,739	47,752
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

March 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/02/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
03/02/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
03/02/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
03/02/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
03/02/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
03/02/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
03/02/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
03/02/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
03/02/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
03/02/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

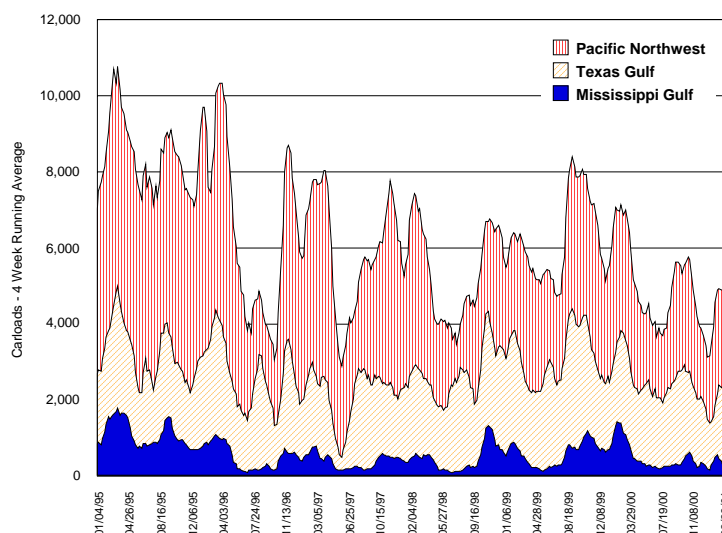
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

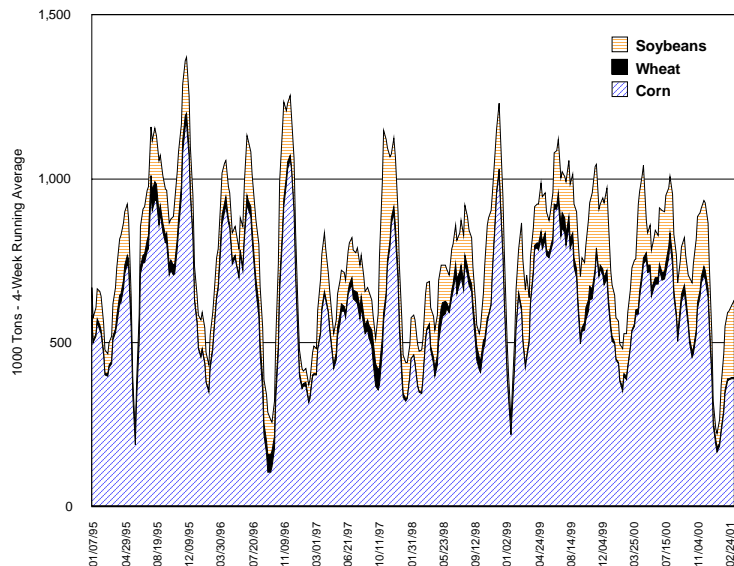
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
02/14/01	301*	2,224	2,039	1,251
02/21/01	149*	1,600	2,838	972
02/28/01	137*	1,980	3,024	1,185
03/07/01	274*	2,064	2,193	764
03/14/01	425*	1,113**	2,842	942
03/21/01	234*	995**	2,994	996
YTD 2001	4,076	18,756**	30,649	10,779
YTD 2000	12,840	26,442	40,026	5,545
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port

(*) Incomplete Data

(**) Revised Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 3/17/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	17	0	9	26
Winfield, MO (L25)	61	3	92	216
Alton, IL (L26)	458	3	222	683
Granite City, IL (L27)	416	1	218	640
Illinois River (L8)	343	0	70	420
Ohio (L52)	112	3	26	176
Arkansas (L1)	0	45	15	60
2001 YTD	5,061	450	2,640	8,719
2000 YTD	5,629	310	2,186	8,613
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; n/a=not available

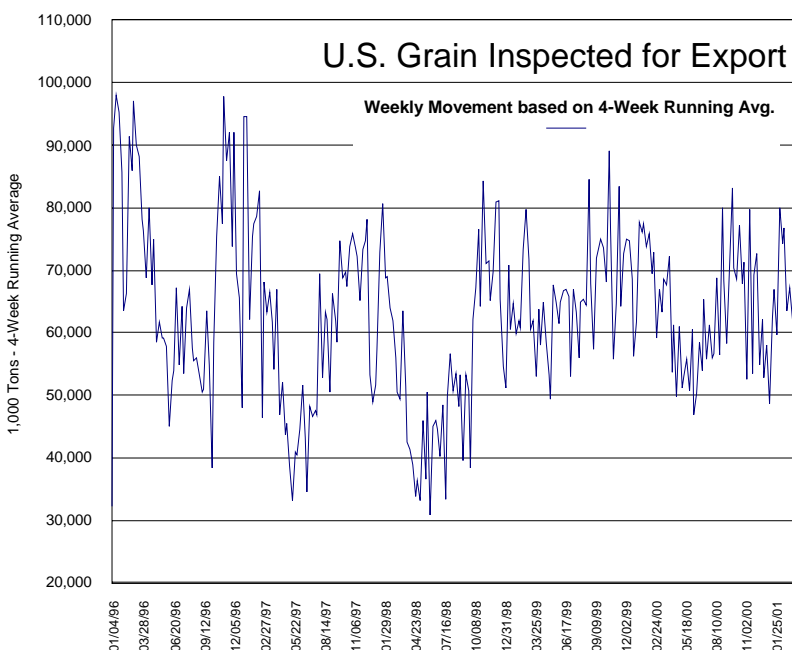
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
03/15/01	1,133	561	1,060	860	261	3,876	7,315	4,209	15,400
This Week Year Ago	1,092	355	1,146	600	331	3,523	7,609	2,961	14,093
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	7,517	3,648	4,490	4,073	878	20,606	24,160	19,950	64,716
99/00 YTD	8,875	3,523	4,389	3,146	775	20,709	26,906	17,713	65,328
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
03/22/01	112	116	59	53	790	679	32	0	98
2000 YTD	2,176	1,066	930	1,189	6,582	5,559	1,200	130	618
1999 YTD *	2,093	1,949	433	1,371	7,315	5,591	1,136	79	631
% of Last Year	20%	24%	143%	24%	21%	37%	17%	23%	44%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

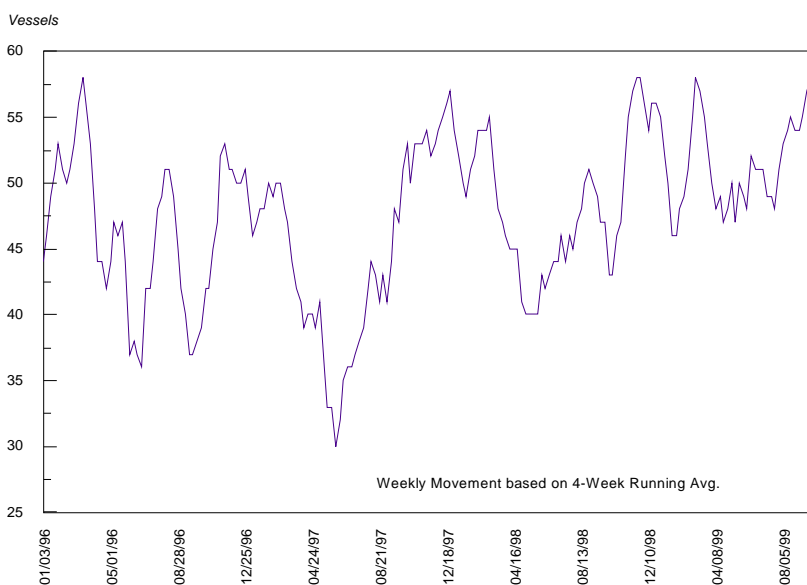
Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 3/15/01			
Vancouver	3,723	299	822
Prince Rupert	1,098		0
Prairie Direct	814	192	224
Thunder Bay	490	171	36
St. Lawrence	1,722	1,340	25
2000 YTD Exports	7,847	2,002	1,107
1999 YTD Exports	8,731	2,113	932
% of Last Year	90%	95%	119%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

Port Region Ocean Grain Vessels

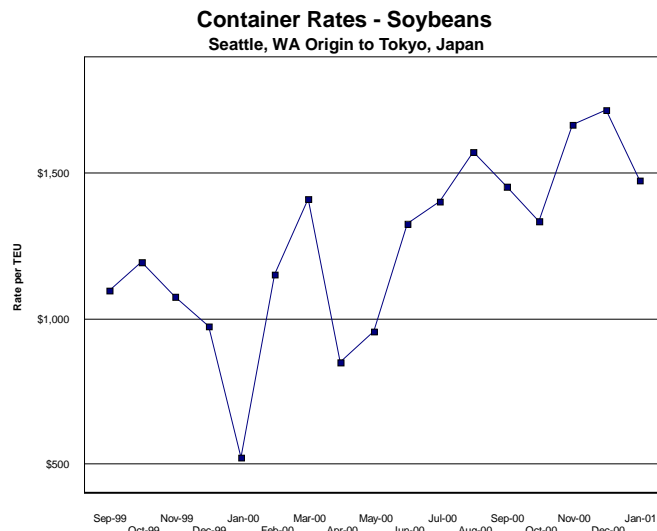
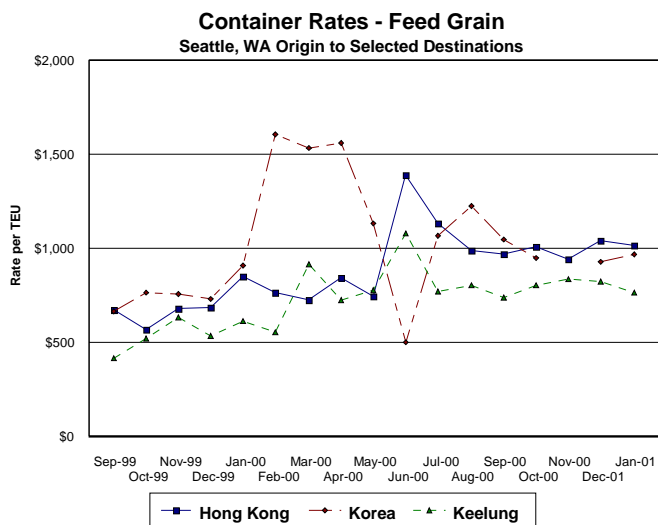
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
03/15/01	59	55	64	7			11	12	4
03/22/01	57	48	61	11			17	4	5
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

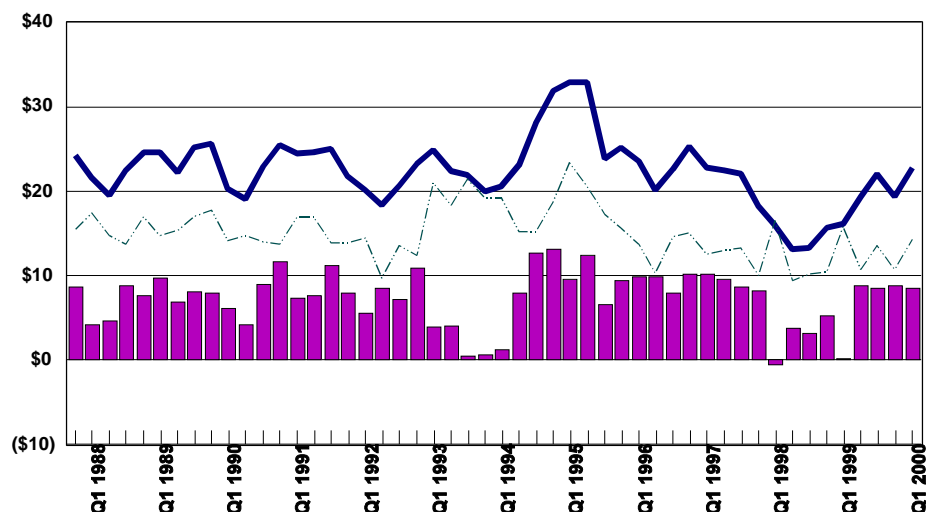
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA



— Rate - Gulf to Japan
 - - - Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 4 th Qtr	1999 4 th Qtr	% Change		2000 4 th Qtr	1999 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.38	\$22.07	1%	Japan	\$15.87	\$13.55	17%
Mexico	\$13.39	\$15.21	-12%	Red Sea/ Arabian Sea	\$26.70		
Venezuela	\$13.29	\$12.10	10%				
N. Europe	\$14.96	\$13.68	9%	Argentina to			
N. Africa	\$22.26	\$21.65	3%	N. Europe	\$18.97	\$17.77	7%
				Japan			

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 3/24/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Albany	Morocco	Corn	Apr.2/10	18,000	\$20.00
Gulf	Ireland	Grains	Prompt	25,000	\$18.25
River Plate	Syria	Corn	Mar. 20/30	30,000	\$23.00
Hamburg	Morocco	Wheat	Mar.21/24	30,000	\$13.30
Turkey	Romania	Wheat	Mar.16/19	9,000	\$8.00
India	Iraq	Meal (Bagged)	Mar.20/30	15,000	\$19.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated;
op=option